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F.C.I. News Letter

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PREMIUMS AND INDEMNITIES

COMPUTED ON SAME BASIS Officials of the Corporation wish to point out that there is in some cases a discrepancy between the bushel price of wheat paid out as indemnities and the bushel price of wheat at local elevators. This discrepancy prevails almost entirely in areas where local elevators this year are paying a substantial premium for high-protein wheat.

The explanation to this matter is that the value of indemnity wheat is computed on exactly the same basis as was the premium as to class, grade and protein content. Farmers may be told that certain local conditions such as premiums paid for wheat of high protein content, competition among elevators and mills, and other local factors do NOT enter into the price structure used by the Corporation in determining the cash equivalent of either the premium the farmer pays or the indemnity he receives. The price at which the cash equivalent was determined was computed from the average price on the local basic market for ordinary wheat of the basic class and grade for the policy. The local station price was then determined by deducting from this basic market price the usual freight and handling charges. The basic market price used in computing the value of indemnity wheat is the quotation on the date the loss is adjusted.

Should the wheat in any area be above average protein, or should competition for the crop be greater than usual, the local price being paid for wheat may be somewhat higher than the normal basic price. On the other hand, should the wheat in any area be below average in protein content, or should competition or other purely local price factors be less active than usual, it is possible that the local price for wheat may fall below the Corporation's computed prices. In either case, the methods by which the cash value is computed for purposes of premium payments and for indemnities, guarantees the farmer that his settlement is on the most equitable basis possible.

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KANSAS INDEMNITIES MAY

REACH 2 MILLION BUSHELS Lawrence Norton of the Kansas state office estimates that as a result of drought in his state nearly 2,000,000 bushels of wheat will be paid out in indemnities to producers. Toward the close of June heaviest losses were in the central part of the state. The July 12 indemnity report shows that 375 indemnities, representing 151,667 bushels of wheat, have been paid in Kansas.

TRANSIT PRIVILEGES

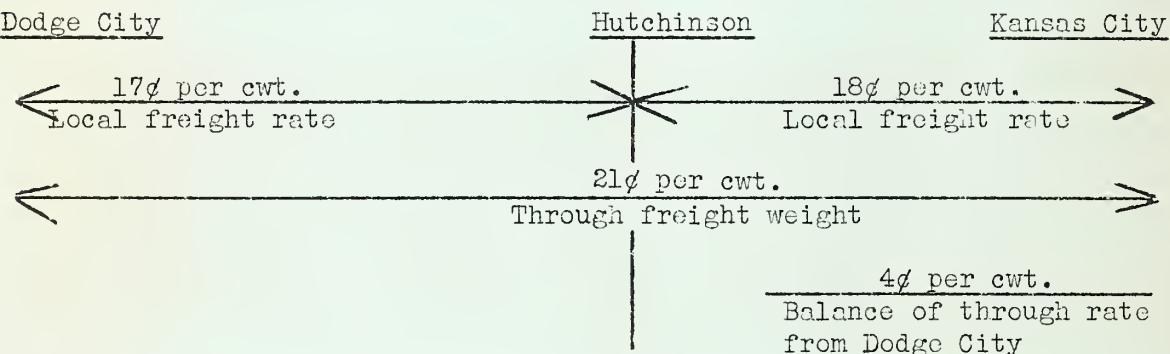
ON WHEAT EXPLAINED

ON WHEAT EXPLAINED Under a new procedure of the Corporation, farmers whose indemnity settlements amount to more than 1,000 bushels may be paid in the form of wheat in storage, if they specify that they want actual grain. However, in view of the fact that much of the Corporation's insurance reserve consists of wheat with "through billing," insurance workers and growers should clearly understand why indemnities paid in such wheat may be less in number of bushels than the Statement in Proof of Loss, FCI-67, calls for.

The important point to remember in connection with indemnity payments is that the producer receives the same value, whether he is paid in cash equivalent, in actual grain in storage at his local station, or in "flat" wheat in storage, or wheat which carries "transit privileges." Wheat at each of these points has a different value, and consequently in each case the number of bushels of the indemnity must be adjusted to give the producer the value of wheat at his local station for the amount of bushels of his indemnity.

Most of the wheat reserves of the Corporation are stored in large elevators because purchasing wheat for these reserves started after most of the crop had started to move to central markets, and because purchase of large lots of stored wheat was most economical. A large proportion of this wheat was stored "in transit," with the privilege of moving the wheat on to the ultimate market at a substantial saving in freight costs. This "in transit" privilege has a real dollars and cents value which is merged into the value of this wheat.

The following illustration makes this point clear:



In this case it costs 21 cents to move a bushel of wheat from Dodge City to Kansas City on a through billing. If the same wheat were shipped from Dodge City to Hutchinson, it would cost 17 cents. Then if the wheat were re-shipped from Hutchinson to Kansas City on local billing, it would cost an additional 18 cents -- making a total cost of 35 cents a bushel. However, if the wheat were shipped to Hutchinson from Dodge City, with a "through billing" for Kansas City, it could be stored "in transit" and could move on from Hutchinson to Kansas City at an additional cost of only 4 cents a bushel, the balance of the through rate to Kansas City. Therefore, based on the price of wheat at Kansas City, wheat at

Hutchinson which carries a "through billing" is worth 14 cents a bushel more than wheat shipped locally from Hutchinson. Because of this value which attaches to the wheat, a quantity of wheat equal to the value of the "transit privileges" is deducted from the amount of the indemnity, as shown on the Statement in Proof of Loss. Where the indemnity is paid in wheat, the grower will receive the paid freight bills or evidence of them, along with his indemnity which will entitle him to the "transit privileges" in connection with such wheat.

Transit privileges expire 1 year from the date of the issuance of the freight bills unless they are renewed for an additional year. This renewal must be made during the last 30 days of the initial year of the period. Growers wishing to renew transit privileges should make such requests of the warehouseman at whose elevator the wheat is stored. Because of the fact that only carlots of wheat can be shipped, and that it takes technical knowledge to properly handle freight bills, the Corporation feels that it would be more advantageous for growers receiving indemnities to accept them in their cash equivalent rather than in wheat, unless payment is for more than 1000 bushels and the Corporation has wheat stored at locations where it can be paid to the policyholder on an advantageous basis.

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OKLAHOMA ADJUSTERS

MAKING FINE HEADWAY Severe drought, wind, and grasshopper damage have placed a heavy load on Oklahoma crop insurance adjusters, according to State Crop Insurance Supervisor J. Carl Wright, but he says the work of measuring crop losses is proceeding rapidly. "Farmers generally are satisfied with the adjustments," he said. "We have had very few cases where a clear-cut appraisal of the loss could not be established."

Early in June more than 2,200 of the 8,693 growers in Oklahoma who insured their 1939 harvest had reported losses, most of which resulted from late spring drought. According to reports from counties, the crop prospects for the state are extremely spotted, with the wheat in parts of 13 counties in the southwest rated as "poor," while northwestern counties reported a "fair" crop, and central and eastern counties a "good" crop.

While the bulk of the Statements in Proof of Loss had moved to the Kansas City office, indemnities already were speeding back to growers. Up to July 18, 1,274 payments, representing an income of about a quarter of a million bushels had been received by Oklahoma growers.

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1,000-BUSHEL INDEMNITY As of June 21, the largest indemnity paid on a 1939 crop loss in Oklahoma was received by John A. Buckles, of Woods County who insured 99.4 acres for the production of 1,059 bushels. The crop was a total loss due to severe drought and wind erosion. The average insured wheat acreage per farm in Oklahoma was about 40 acres.

NEARLY 5,000 GROWERS

HAVE BEEN INDEMNIFIED

As of July 18, nearly 5,000 far-sighted wheat growers had received indemnity payments from the Corporation because for one unavoidable cause or another their wheat acreage failed to yield a normal crop and in many cases, no crop at all. Representing practically every important winter wheat state, 1,360,278 bushels had been paid out, the cash equivalent of \$775,238.88. Texas, with 1,440 indemnified growers to the extent of 582,186 bushels, leads all other states in this respect; Oklahoma is a close runner-up with 1,274 growers for 220,341 bushels. The major cause of all losses to date has been drought. A summary of indemnities paid to various states by the different branch offices is found in Table 1. Later figures on 1939 business show that 166,751 premiums have been received and 163,715 policies issued in 919 counties. Table 2 shows how many premium payments have been made, the insured acreage, how many bushels have been paid into the group reserve and the total insured production.

Table 1 --INDEMNITY REPORT AS OF JULY 18, 1939

States	Number of indemnities paid	Net cash	Net bushels
<u>KANSAS CITY OFFICE:</u>			
California	105	\$ 52,241.58	77,855
Colorado	57	8,838.93	18,506
Iowa	89	4,350.92	7,838-10
Kansas	519	119,139.05	211,713
Missouri	178	11,830.03	20,860
Nebraska	942	83,893.85	151,177-35
New Mexico	2	1,236.48	2,415
Oklahoma	1,274	121,640.68	220,341-45
Texas	1,440	329,152.14	582,186-10
Utah	1	143.15	368
Wyoming	17	2,096.66	4,528-45
Illinois	49	6,076.30	9,016
Indiana	74	7,751.07	11,107
Michigan	11	544.14	799-45
Ohio	53	4,767.87	6,552
Total Kansas City Office	4,811	\$ 753,702.85	1,325,264-12
<u>MINNEAPOLIS OFFICE:</u>			
Minnesota	23	\$ 1,775.80	2,579
Montana	--	---	---
North Dakota	--	---	---
South Dakota	102	17,733.83	28,957
Wisconsin	15	912.55	1,398
Total Minneapolis Office	140	\$ 20,422.18	32,934
<u>SPOKANE OFFICE:</u>			
Idaho	1	55.00	107
Oregon	1	635.62	1,125
Washington	3	423.23	848
Total Spokane Office	5	\$ 1,113.85	2,080
GRAND TOTAL - - - - -	4,956	\$775,238.88	1,360,278-12

Table 2 --General Status of 1939 Crop Insurance Program based on
Preliminary Estimates As of June 30, 1939

States	Premium Payments	Insured Acreage	Premium Bushels	Insured Production
<u>WASHINGTON OFFICE:</u>				
Delaware	79	1,765	855	22,186
Maryland	979	23,391	11,102	296,400
New Jersey	29	380	190	5,778
New York	652	8,838	5,075	150,951
Pennsylvania	2,301	30,722	15,939	452,803
Virginia	916	16,312	7,829	201,400
West Virginia	1	37	19	402
<u>KANSAS CITY OFFICE:</u>				
California	1,005	113,202	77,569	1,589,684
Colorado	1,435	85,619	74,232	644,283
Idaho	1,754	151,518	88,910	2,311,844
Illinois	12,228	288,137	189,282	3,082,542
Indiana	11,183	173,946	140,911	2,119,863
Iowa	4,674	82,010	63,850	985,755
Kansas	14,970	934,028	788,514	7,873,759
Michigan	5,073	54,492	31,979	805,665
Missouri	15,846	390,798	206,508	3,557,129
Nevada	32	335	535	7,700
Nebraska	13,237	478,389	514,495	4,350,215
New Mexico	111	9,361	16,861	81,690
Ohio	10,515	136,317	130,362	1,878,689
Oklahoma	8,693	506,128	274,293	4,248,221
Texas	3,691	379,191	400,720	2,715,382
Utah	455	35,193	22,879	550,257
Wyoming	313	24,793	31,766	219,178
<u>MINNEAPOLIS OFFICE:</u>				
Minnesota	10,664	293,634	199,755	2,538,401
Wisconsin	188	1,382	1,651	16,913
North Dakota	27,778	2,103,661	1,767,455	12,141,499
South Dakota	10,692	499,927	791,842	2,653,755
Montana	5,344	535,545	679,661	4,399,900
Oregon	708	97,525	70,830	1,449,137
Washington	1,405	181,581	99,205	2,417,975
TOTALS	166,751	7,638,157	6,714,074	63,769,356

PARTIAL LOSS ADJUSTED

ON OREGON WHEAT FARM

Oregon's first Proof of Loss Statement was submitted by George L. Barnett of Kent, Sherman County, Oregon.

He insured 171 acres of wheat this year for a total production of 1,552 bushels. State Crop Insurance Supervisor Clyde L. Kiddle, who assisted in adjusting this loss, says that Mr. Barnett will harvest about 427 bushels from his insured acreage, leaving an indemnity payment due of approximately 1,100 bushels. Mr. Barnett's premium amounted to 248 bushels or about 1.45 bushels per acre.

STAYING WITHIN ALLOTMENT

GIVES MAXIMUM PROTECTION

Crop insurance workers out in the field should take every opportunity to make it clear to all farmers who intend to plant wheat for harvest in 1940 that they are eligible for "all-risk" crop insurance protection with the Corporation. Growers who have the impression that crop insurance in 1940 is limited to those who stayed within their wheat acreage allotment in 1939 should be informed that this limitation has been removed.

It should also be pointed out that while overseeding does not prevent a grower from taking out crop insurance, the full insurance protection applies only to the 1940 wheat acreage allotment for a farm, or to the acreage that may be planted without causing deductions from agricultural conservation payments. For example, if a grower has an allotment of 100 acres and can insure a yield of 10 bushels an acre, the largest total insured production he could obtain would be 1,000 bushels. If he went ahead and planted 150 acres (50 acres more than his allotment), his insured coverage would not increase, and his guaranteed yield per acre would fall from 10 bushels an acre to 6.6 bushels. Obviously, the decrease occurs because the same total coverage must be spread to cover the 50 acres in excess of the allotment.

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CROP INSURANCE PROGRAM

FOR 1940 IS UNDER WAY

Within the next few weeks the new 1940 wheat crop insurance program will be hitting an active stride. The 1940 regulations and the new crop insurance application forms, nearly 400,000 of them, have been sent to the state offices for proper distribution to county and community workers who contact directly wheat farmers of their own neighborhood. The basic principles which applied to the 1939 program will remain practically the same for the coming year but some "streamlining" has been done with regard to administrative operations that will permit the Corporation to almost treble its business next year with little more effort than it spent in 1939. Now that crop insurance has proved its worth in practically every community in the United States and wheat farmers everywhere have had time to realize the security they can buy with a small premium payment, the Corporation seems justified in believing it will at least double, if not treble, its last year's business, especially in the early winter wheat states where last year many farmers did not have time to find out what the FCI program was all about.

Growers in 1940 will be able to insure either 50 or 75 percent of their average yield as in the previous year against everything but their own negligence. Crop insurance again will be written entirely in terms of bushels of wheat rather than in dollars and cents. Average yields have been determined separately for each farm on the basis of its actual or appraised yield history during the 9-year base period, 1930-38, adjusted to a 13-year, or longer, base period for the county in which the farm is located. If actual yield records are not available for the farm its yields are appraised on the basis of similar "key" farms, for which certified yields are on record. Premium rates also have been calculated separately for each farm, based on the amount of risk each farm has had, actual or appraised, for the 1930-38 base period, adjusted to a 13-year or longer base period for the county.

In 1940 every wheat farmer will be notified in advance of the sign-up period as to what the yield and premium rate for his farm will be. To obtain insurance the grower will simply fill out an application blank showing how many acres he intends to plant and with these data along with his yield and rate figures he can ascertain and pay his premium all in one operation. The premium may be paid in any of three different ways: (1) By delivering a warehouse receipt for the number of bushels of wheat computed as his premium of the class specified by the applicant in his application of the grade specified by the Corporation for such class; (2) By a payment in cash equivalent to the value of the wheat specified for the premium at the current market price, and (3) By executing an advance against future payments to be earned under other parts of the agricultural conservation program. Premiums will be payable when applications are signed by the growers and they must be filed before the insured crop is planted. There will be no so-called crop insurance policy in 1940, but the insured will receive a Notice of Acceptance, FCI-18--Wheat 1940, which will constitute his evidence of an insurance contract with the Corporation.

The new program should bring greatly increased results for the following reasons: (1) Growers can now more easily get credit or funds with which to pay premiums as a result of the recent amendment to the AA Act whereby wheat farmers may obtain advances against future soil-conservation payments. (2) The procedure has been simplified by placing more responsibility on county committees for establishment of yields, premium rates, and computation of cash equivalent payment. (3) The base period has been extended to include the crop years 1936-38 which should make the base period more truly representative of the average for the farm and county.

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COLORADO GRASSHOPPERS

WELL-FED--WITH POISON A report from Colorado State Executive Officer H. H. Simpson dated June 9, on the grasshopper situation in Colorado shows that there was severe infestation in Adams, Cheyenne, Elbert, Kit Carson, Larimer, Lincoln, Logan, Morgan, Phillips, Prowers, Sedgwick, and Weld counties. Infestation at that time was with native grasshoppers or little Mexicanos with the exception of Lincoln County which was alarmingly infested with migratory 'hoppers.

Crop Insurance Supervisor George C. Hall secured information regarding the effort that was being made in Lincoln County to check the migratory 'hopper before it reached flight stage as follows:

"Daily mix of poison bait, 240,000 pounds; 99 unit bait spreaders which are the property of the Federal Government, Lincoln County, and the State Extension Service; 200 Federal employees spreading bait; 100 Lincoln County employees spreading bait; 60 CCC men scouting the county for grasshopper beds and mature grasshoppers; 120 WPA men mixing bait; 50 Federal employees mixing bait; 3 Government trucks, 6 CCC trucks, and 34 Lincoln County trucks hauling bait to various parts of the county for spreading."

Mr. Simpson says the farmers are alarmed about the situation and are cooperating in every way possible. There is some evidence of the effectiveness of this 'hopper-control campaign in the fact that all of 183 losses reported from Colorado farmers up to July 3 were due to drought.

SEVEN NEW FCI LEAFLETS

ARE BEING DISTRIBUTED Since the last issue of News Letter, the Corporation has published seven new leaflets, most of which have already been distributed to areas where they will be most effective. As previously announced, informational publications of the Corporation are now designated as "FCI-Information" followed by a number, and requests for copies can be filled most readily if the leaflets are asked for by the number designation which appears on each leaflet. The titles, FCI numbers and brief descriptions of the Corporation's latest leaflets are as follows:

1. "Can You Afford Profitable Waiting," FCI-Information 1. This is a 4-page, 2-color leaflet pointing out how wheat growers, through crop insurance, can afford to hold their wheat for favorable prices whereas in former years they have been compelled to sell, regardless of price, to meet current obligations.

2. "Make Surplus Wheat Work for You -- Not Against You," FCI-Information 2. This is also a 4-page but a one-color pamphlet explaining how wheat growers can put aside a small portion of their crop, thereby assuring themselves of a normal harvest, and in all probability a better price for what yield they do get.

3. "Sow With Certainty," FCI-Information 3. This leaflet is folded to fit into a standard No. 10 envelope, and is designed to show how the farmer can now fit crop insurance into his farm plans with the assurance that he will be able to carry out his plans despite natural hazards.

4. "Drought Defense," FCI-Information 4. This is a large, well-illustrated leaflet, printed in brown ink, which folds to fit a No. 10 envelope. It is intended to show the tremendous loss suffered by wheat farmers because of deficient moisture and how crop insurance will be a safeguard against crop failure from this hazard.

5. "Assured Farm Income Through Cooperation," FCI-Information 5. This leaflet also folds to No. 10 envelope size and has for its theme the advantages of the Corporation's group reserve over the individual reserve which any farmer may be able to acquire.

6. "Your Farm Will Suffer Crop Failure--When?" FCI-Information 6. This is a revision of GIS-6 which was distributed last year to remind wheat growers that agricultural history proves that crop failure is bound to strike their farm sometime in the future.

7. "Wheat Crop Insurance Means Money to Spend," FCI-Information 7. This leaflet is designed to appeal to the farm housewife, emphasizing the fact that an insured crop assures farm income with which to buy necessities for the home. This leaflet is still at the printing office but will be ready for distribution in another week or 10 days.

8. "Insure Against Wheat Losses," FCI-Information 8. Here is a leaflet that points out the fact that now the wheat grower can insure his growing crop against unavoidable losses in the same manner as others of the wheat industry from the producer on up.

All of these leaflets are, or in the near future will be, available to county committeemen and other county and community crop insurance workers through their respective State offices. Get a supply of the ones you think will do the most good in your neighborhood so that you can give copies to wheat growers who want to know more about "all-risk" crop insurance.

INDEMNITY PAYMENTS ARE SOLE

INCOME OF MANY TEXAS GROWERS

Wheat farmers of Stonewall and Briscoe counties, Tex., will receive little, if any, wheat income this year except from their "all-risk" policies with the Corporation. Fifty farmers in Stonewall County took out policies last fall and every one of them has collected or will collect indemnities this year as a result of unprecedeted drought. According to Texas State Crop Insurance Supervisor E. R. Duke, the crop sprouted last fall but there has been no rain since. He says, "Only two producers in the county will harvest crops this year and they are not insured." The total insured production under Stonewall County's 50 policies was 18,800 bushels. The indemnities will be about 18,000 bushels, the difference being due to a small salvage.

Mr. Duke says that all of Briscoe County's wheat income this year will be from crop insurance indemnities with only about half of the county acreage insured. Late in June it was estimated that indemnities to wheat farmers in this one county would amount to about 90,000 bushels, of which 48,000 bushels had already been paid.

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NOTES FROM

OKLAHOMA

Typical of Oklahoma payments was the one received by Mrs. Henry C. Jesse of Comanche County who insured her share as landlord in 37.7 acres of wheat for a total of 119 bushels. Tenant Sam Hodges was insured for 238 bushels. The crop failed and both collected indemnities. . . . In Tillman County, Okla., Mrs. A. D. Ille who owns and operates her own farm, insured 33 acres for a total production of 321 bushels. The crop was a complete failure and she received full indemnity, 27 bushels of which she deposited for 1940 wheat insurance. . . . Another Tillman County farmer is Mrs. Cora Doyle who, as tenant, insured 39 acres for 215 bushels. The crop was a total loss. . . . Willard Every of Piedmont, Okla., said to Stewart Eads, Canadian County crop insurance supervisor: "Crop insurance is worth all it costs -- just so I can sleep nights. I hope never to have a loss and I farm to prevent it but knowing that I will have wheat to sell gives me peace of mind that is worth the premium." Mr. Every farms about 480 acres of land on which the average yield is 16 bushels an acre. His yield this year will be not less than 2,000 bushels, rain or shine.

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WHAT THEY'RE SAYING

Down in southwestern Oklahoma one farmer said to another: "Well, John, it doesn't make a lot of difference to me if it doesn't rain. I am guaranteed three-fourths of my average production and that makes a whale of a difference." . . . After driving over a drought-stricken piece of Oklahoma wheat acreage a banker said to an editor: "A drought is not going to hurt this country as bad as you might expect because we are guaranteed three-fourths of an average yield on about 50 percent of the farms of our community and it certainly will help business." . . . And then there was the Cotton County, (Okla.) farmer who asked for and received a good swift kick in the seat of the pants because he lost 800 bushels of wheat just because he failed to pay an 80-bushel premium on time.

NEW CROP INSURANCE POSTERS

ARE READY FOR DISTRIBUTION

Since the last issue of News Letter the Corporation has distributed three new posters, each of which deals with a specific wheat-growing hazard. "Winds Will Blow" is the title of one of these posters and to emphasize this truth an illustration of a dust storm over a blown-out wheat field is shown. Another poster is entitled "Rust" which, along with appropriate text matter, is made up of a threshing scene photograph over which is superimposed in huge rust-colored letters the word "RUST." A third poster emphasizes "Drought" and points out the fact that wheat farmers lose annually more than 150 million bushels through the drought menace.

Final proof has been returned to the printer on two other posters, namely, "Grasshoppers Will Come Again," and "My Crop Was Insured." The grasshopper poster is made up of a photograph of a good looking wheat farm upon which is descending from the sky a huge grasshopper. Accompanying text matter encourages farmers to join hopper-control programs and as a further safeguard to insure their crops against unavoidable insect damage. The "My Crop Was Insured" poster is simply an enlarged photograph of an extremely photogenic farmer standing smilingly in front of his mail box looking at his indemnity check. All of the above-described posters are approximately 12 by 15 inches in size.

It is intended that the job of posting this type of display material in places where they will most likely be seen by wheat farmers will be accomplished by county committeemen. In this connection the Corporation has received permission from the Post Office Department to place posters in post office lobbies where space is available, provided they are displayed in such manner as not to mar or deface the walls or woodwork.

Incidentally, the Corporation still has a limited supply of the two general posters printed last year, namely, "Crop Failures Don't Worry Me," and "Be Sure -- Insure." Upon request, any of these posters will be sent in any reasonable quantity to crop insurance workers who will make effective use of them.

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DROUGHT CAUSES HEAVY

LOSS IN OREGON COUNTY

The 1939 wheat harvest season finds that nearly half of the Gilliam County, Oreg., farmers who took out Federal crop insurance on this year's wheat crop are discovering the value of the new program, according to County Agent W. F. Marshall. Ten policies out of the 23 issued in the county will yield returns, he said, due to low wheat yields resulting from drought. He expects that the Corporation will pay approximately 13,500 bushels of wheat in indemnities in the county.

Farmers who are collecting on their policies express satisfaction with indemnities amounting to three-fourths of normal yield. A typical example is a well known farmer living near Mikkalo who paid a 513-bushel premium last spring. His crop is nearly a total failure, and he expects to collect soon 3,266 bushels of wheat as his indemnity payment. Mr. Marshall said that approximately 700 Oregon farmers are taking part in the crop insurance program this year.

CHURCH BENEFITS FROM

WHEAT CROP INSURANCE

Wheat crop insurance is helping the Inman Mennonite Church to pay the pastor's salary.

Last fall, the church members seeded 40 acres of wheat on land rented from Paul D. Kaufman, Moundridge, Kans. Plowing and seeding was a church enterprise in which the members helped, the purpose of the planting being to provide a crop to supplement the salary paid the pastor, the Reverend John E. Kaufman. A crop insurance policy was taken out, providing for 75 percent coverage on the average yield for the farm, the church leaders feeling that this would insure the pastor of a more dependable source of income.

Fall and winter drought destroyed virtually all the wheat, but the church has received 226 bushels of wheat to compensate for the loss. This was the tenant's share of the insured production less an appraised yield of about 2 bushels an acre. Several other institutions in Kansas took out crop insurance policies last fall, among them several colleges which have land holdings that are depended upon for operating revenue.

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ALL-RISK INSURANCE HAS

"PEACE OF MIND" VALUE The following letter which was addressed to the Federal Crop Insurance Corporation by Harry C. Bectison of Saunders County, Nebr., is quoted because it expresses an attitude toward crop insurance that is gratifying.

"Dear Sir:

"The wheat which was insured by Policy No. 28790, State and County Code 48-078-857, has been threshed and all weighed at the Kuhl elevator here at Ashland. It was much better than I expected. There were 1,707 bushels on the 84½ acres covered by the policy so you can see that was much more than the policy called for. It made a little over 20 bushels to the acre. By having insurance it makes a fellow feel better even though he doesn't need it. Many thanks.

Yours truly,

Harry C. Bectison
(King of Hoboes)"

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JOHN RASS GETS FIRST

WISCONSIN INDEMNITY

John Rass, Route 1, Brussels, Wis., was the first farmer in Wisconsin to receive a crop insurance indemnity payment. Mr. Rass owns a 220-acre farm in Door County on the western shore of Lake Michigan on which he has lived for 23 years. He has been a cooperator in the Triple-A farm program since it started. Mr. Rass says he will use his indemnity payment to improve his farm and he has already seeded his abandoned wheat acreage to barley. He is entirely sold on the crop insurance idea and would like to see it extended to other crops.

POST OFFICES WILL SHOW
CROP INSURANCE POSTERS

In response to a request to the Fourth Assistant Postmaster General for permission to post crop insurance posters in post offices the following advice has been received:

"Please be advised that all postmasters are being notified in an early issue of the Postal Bulletin that posters issued by your Corporation may be displayed in post office lobbies where space is available, provided they are displayed in such a manner as not to mar or deface the walls or woodwork."

This is taken as fine cooperation on the part of the Post Office Department and crop insurance workers are urged to use but not abuse this opportunity to remind wheat farmers of the merits of "all-risk" crop insurance.

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TEXAS WILL DOUBLE

1939 SIGN-UP: DUKE Texas wheat growers are thoroughly sold on wheat crop insurance according to State Crop Insurance Supervisor E. R. Duke who predicts that participation in the 1940 program will at least double that of 1939. He expects the 1940 sign-up to begin on or before the first of August. Mr. Duke says that "Wheat growers have seen how crop insurance is operating to protect them against the unavoidable losses which are frequent in this territory. Many farmers who did not take out crop insurance last fall because of fine crop prospects are now convinced that it is much cheaper to insure the crop than to take a gamble on what the year may bring."

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IT IS RESOLVED!

"The welfare and prosperity of the farmers of Kansas is necessarily of fundamental and primary interest to the grain dealers of Kansas. We firmly believe that the Crop Insurance Program of the Agricultural Department will prove to be of lasting and permanent benefit to Kansas farmers by stabilizing farm income, and as such is entitled to our earnest cooperative efforts.

"We heartily endorse the administration of the Federal Crop Insurance Corporation and urge our membership to assist them in the education of farmers with respect to the advantages and benefits of Crop Insurance and invite the Corporation to make liberal use of our membership and facilities in such activities."

The above resolution was adopted by the Kansas Grain, Feed and Seed Dealers Association at their 42nd annual convention at Kansas City, Mo., on May 20, 1939.

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TEXAS GROWER GETS \$3,779

The largest indemnity in Texas as of June 21 was paid to C. F. Redinger of Hale Center. His indemnity check amounted to \$3,779.46 for a 6,000-bushel loss caused by a heavy wind and sand storm. Mr. Redinger is the owner-operator of a 618-acre farm on which the average yield is 15.1 bushels. The premium rate for his farm was $1\frac{1}{4}$ bushels an acre, the total premium, which he paid in cash, was \$386.25, the equivalent of 772 bushels.

"THE PROOF OF THE PUDDING - - "

The old maxim which says that "The proof of the pudding is in the eating" can now be aptly applied to crop insurance because the best evidence of its merits should and has come from insured wheat farmers who have already received indemnity payments because their crops failed. Space does not permit us to include all of the testimonials that have been received in praise of crop insurance, but a few are given here which are representative in content and of the areas where many wheat farmers believe they have found real crop-failure salvation.

Calvin W. Finley, Claude, Tex. -- "I don't know what I would have done if I hadn't taken out insurance to protect my investment. This insurance seems to be the only way we can be sure of getting a crop. After I had paid the premium last fall, the crop looked the best that it had for years and I kicked myself for spending money foolishly and paying the premium. Then when it went out in the spring I was plenty glad that I had made this investment and you can be sure that I am not going to forget this lesson." Mr. Finley had 127.6 acres insured for 9 bushels an acre. The total premium was \$83.54, the equivalent of 127 bushels. After suffering from drought, his crop was hit by hail on May 1.

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R. J. Jones, Armstrong County, Tex. -- "I am going in on this crop insurance program from now on. This one indemnity will pay my premium for the next 10 years." Mr. Jones who has farmed the land he is now on for 47 years was insured to receive 2,125 bushels; settlement was made for 2,025 bushels, there being a 100-bushel salvage which he used for grazing. The 325-bushel premium was paid in the cash equivalent of \$174.35.

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W. K. Maxfield, Mangum, Okla. -- "Last fall I had as good wheat prospects as I have ever seen. However, dry weather cut the crop and it would have made only 4 or 5 bushels an acre until hail came along and took the rest. Crop insurance is a safe farming plan. If the other fellow has the failures I'll gladly pay the premium. My indemnity will take care of preparing the land and the seed for a new crop. The price element of the plan appeals to me too. I know from experience that if a person can afford to carry wheat over from the bad price years, he can profit in the low yield years. In 1932, I harvested 222 acres that averaged 28 bushels an acre. I stored more than 5,000 bushels until 1934 when I sold it for \$1 a bushel. I couldn't have carried that wheat over in those years if my banker had not been cooperative and a farmer can't always carry his wheat through several years. Crop insurance provides an easy way to do this same thing."

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Mrs. Ora Griffin, Hydro, Okla. -- "We carry our own insurance by diversifying as widely as possible -- garden, chickens, and livestock. However, we always rely on our wheat to provide some cash income during the summer months when we are not selling any other produce from the farm. This is the first complete failure we have had in 30 years of farming and this indemnity certainly is a big help. We are using the money to apply on the cost of our general farming operations which will help to carry us through

the year without upsetting our plans." Here we have an example of how wheat crop insurance fits into a diversified scheme of farming. Mr. Griffin insured for and received a 236-bushel indemnity of which 15 bushels have been deposited for insurance on his 1940 crop. This protection cost Mr. Griffin only \$5.80.

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Norman Meadows, Mangum, Okla. -- "We farmers have to face plenty of odds and this insurance will help us avoid some of the risks so we can concentrate on doing a better job of farming. I am sold on the wheat crop insurance program and hope we can get the same kind of insurance on other small crops. In the last few years we have had lots of drought and hail in this part of the country although my records for the past 20 years show that we can expect poor crops about 1 year out of 4 on the long-time average. I am perfectly willing to pay in from my good crops to make up for losses that farmers in other parts of the country might have if they will do the same in the years that I don't get good yields. That way we'll all get along better." Mr. Meadows paid a premium of \$11.03 for a guarantee of 163 bushels of wheat on 27 acres.

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Robert and Fonton Blake, Clasco, Kans. -- "Crop insurance will keep us going next year. It doesn't cost much and it sure is a wonderful thing. Every wheat farmer should have it. We probably wouldn't be farming next year if it wasn't for that insurance payment. That money will pay for repairs to our combine, tractor and for gasoline and oil. We have been letting them go for a couple of years and if it wasn't for the insurance on the wheat we would have had to borrow money -- if we could. It is going to keep us out of debt because the drought took all our wheat. There isn't any doubt that we are going to insure next year." The Blakes paid a 264-bushel premium and received an indemnity payment of 3,400 bushels from 189 acres that were destroyed by drought.

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L. L. Beauchamp, Mangum, Okla. -- "Crop insurance doesn't cost much in a good year and money comes in mighty handy in a lean one. I am going to insure my crop next year. My indemnity this year was enough to pay my premium for 10 years to come." Mr. Beauchamp has a policy on each of three separate wheat acreages. He has already collected \$199 for a total loss under one of them on which he paid a premium of \$24.

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Mrs. H. P. Hansen, Tescott, Kan. -- "This is my first experience with crop insurance but I'm certainly satisfied with it. I think all farmers should have it. I'm for it and I feel very fortunate that we bought and paid for our policy last year. With crop insurance the farmer can at least count on something at the end of the year even if his wheat crop is a total loss or is even partially destroyed; he will get something for his work and his seed." Mrs. Hansen will receive about 1,600 bushels of wheat from her 167 acres this year through her policy with the Corporation. Dry weather destroyed the crop.

Mrs. O. R. Somers, Tescott, Kan. -- "Our insurance policy is going to help us make a payment on our farm. Wheat, you know, is a cash crop here and we had no wheat this year. It just didn't come up. It was too dry and we had 80 acres in. Crop insurance is a good idea, I think. It certainly will help us." The Somers are buying a 320-acre farm under the farm tenancy act.

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Mrs. Joc Meyers, Minneapolis, Kan. -- "We have been planning a lot on this insurance and it is a wonderful help. If it hadn't been for the Agricultural Conservation Program, we wouldn't be here today. I was a little leery of crop insurance last fall but my oldest boy talked me into it. He insisted that we should have crop insurance. So I paid the \$15 and now I'm glad I listened to him. I don't know what we would do without it. We are going to insure again next year, all right." Mrs. Meyers operates a 160-acre farm with the help of her two sons who are 20 and 14 years of age. Their 350-bushel indemnity will be used to pay 2 years' delinquent taxes, and interest on the farm payment. The crop was destroyed by dry weather.

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M. L. WILSON TALKS TO

CORPORATION EMPLOYEES On the afternoon of June 28 all Corporation employees working in Washington heard M. L. Wilson, Under Secretary of Agriculture and chairman of the Corporation's Board of Directors, give a talk on crop insurance entitled "Safeguarding the Farmer's Welfare." Mr. Wilson has lived in Montana for more than 25 years and has been and still is a dry-land wheat farmer in the eastern part of the state. From this personal and intimate contact with raising wheat, and with all the hazards and difficulties that go with raising wheat, he knows what crop insurance means to American farmers.

Mr. Wilson said that "Our society grew out of a pioneer individualistic effort in which the distribution of the people and the distribution of the resources and the way we lived were such that nearly every man could carry his own risk and, so to speak, could carry his own insurance. But farming in society as a whole has changed. It has changed because of the great technological advances, but sometimes I am not so sure that where all the welfare of society is concerned, they are not advances by themselves."

Following this line of thought Mr. Wilson gave reasons why he regarded crop insurance as one of the most important activities of the Department of Agriculture. Directing his remarks to crop insurance workers in the counties, states, branch offices, and Washington, Mr. Wilson said that "The crop insurance program which you are cooperatively putting into effect, is one of the most important functions that Congress has assigned to the Department. I doubt whether any Government agency is performing a more vitally essential service to the country than you are. This work you have undertaken was made necessary by the changing economic and social conditions in the country which requires corresponding changes in the activities of the Department of Agriculture.

".....Crop insurance is one special program of the several that we have flung across a whole continent in the course of a year. We can do things like that today. Yet, at the same time, there is a constant danger that what we gain in the scope of our operations may cause us to sacrifice

to some degree the stimulating direct contact with the people for whom and with whom we are working. We are in danger of developing mental myopia so that we can see only the whirling cogs nearest us and not the whole machine. We may get lost in a sea of facts and figures and forget the human beings to whom they apply."

Mr. Wilson suggested that crop insurance workers ask themselves these questions:

Who are we working for?

What are we trying to do for them?

How well are we doing it?

"The answer to the first question is that we are working for the 170,000 farmers who insured their crops in 1939 and for the many more who will insure their 1940 harvests. "However, our responsibilities do not end with the insured farmers, the wheat farmers, or even farmers at all. In this world of ours today, each member of society is interdependent with many others. When a farm family suffers a loss, that loss is in turn reflected in the town, and it is sustained by the merchants with whom they trade. If they cannot make a go of farming the other members of the community not only lose their family's earning power, they must contribute to its support . . . An economic instrument such as crop insurance helps to even out the low spots in the farmer's income, and it helps not only the farmer but every one of us. You -- every one of you in this organization -- are not working for a soulless Corporation. You are taking an active, essential part in an important program to make this country a better place to live in. You are performing a vital service that is necessary for the general well-being of the Nation. . . "

"What are we trying to do for them? The obvious answer is 'to insure the wheat crop'. But your responsibilities and your ultimate goal are broader and more far-reaching than this. Insuring the crop is only a means to an end . . . In recent years the farmers of the United States have been oppressed by certain economic problems -- overproduction, soil erosion, and recurrent crop failure. These problems could be met piece-meal. But we are doing far more than that. Today farmers are in the process of establishing an economic democracy, with its roots deep in the soil, which is bringing forth a broad program for security of our farmers and our soil, and further, is establishing ideals and training leaders to give continuity to the philosophy of economic democracy.

". . . The crop insurance program is a good example of our progress. This is the product of an evolutionary process which grew out of the thinking of many men, as do most things in a democracy, and is intended to serve many. . . The men who have had a leading part in the program will continue to do their share. However, the future success of the program will depend primarily on the efficiency and enthusiasm of the Crop Insurance Corporation's own workers. You and your co-workers in Kansas City, in Minneapolis, in Chicago and Spokane -- in every one of the Corporation's field offices -- will, I am sure, cooperate fully in carrying on successfully this highly essential service to the country. Each of you has his own job to do. Keep always in mind the general objective toward which all of you are working."

Mr. Wilson said this regarding the progress of the program: "Your organization faced many difficulties in starting this brand new and untried program. Your accomplishments during the first year have exceeded all expectations, and the success of this first year's operations indicate the way to a new and better program. They point to insurance for other crops in addition to wheat. A whole new field with limitless possibilities for a better farm life has been opened by your work. . . Keep your work up to its present level. Maintain your high standards of performance. Facilitate the efforts of your co-workers in the field. Remember always that they are in close touch with the needs of the people whom we are all serving. . . Those of us who observe your work from a departmental viewpoint are greatly pleased with the progress you have made thus far and are confident that you will continue to maintain the Department's reputation for efficient public service."

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FIRST MINNESOTA INDEMNITY

GOES TO WILLIAM D. KOESTER

The first payment for a winter wheat loss in Minnesota was made to William D. Koester of

Northfield, Minn. The indemnity check which amounted to \$80 was presented to Mr. Koester by Charles Stickney, chairman of the Minnesota State Agricultural Conservation Committee. This \$80 payment was for the loss of 11 acres of wheat from winter-kill. The payment would have been more but Mr. Koester requested that an amount of wheat be deducted to apply toward his 1940 premium payment. The insurance on this year's crop cost him about \$8.

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UNITED STATES DEPARTMENT OF AGRICULTURE
 FEDERAL CROP INSURANCE CORPORATION
 (Name of Town and State)

Dear Mr. Blank:

Stop the wind from blowing your wheat income away. You can do it simply, easily, and cheaply.

Of course you can't stop the wind from blowing. You can't prevent hot winds and severe storms from doing a certain amount of damage to your wheat even if you do everything possible to protect the growing plants.

But there is available to you now a very practical means of assuring yourself of income from your wheatfields every year -- wind or no wind and rain or shine.

The Federal Crop Insurance Corporation was established early in 1938 to permit wheat growers to insure their growing crops against all unavoidable causes of damage such as hot winds, storms, drought, flood, hail, frost, fire, insects and plant disease. During its first year of operation more than 300,000 wheat growers applied for Federal crop insurance; _____ policies were issued right here in _____ County.

Tell a member of your county AAA committee how many acres of wheat you want to seed next year and he will tell you how many bushels of wheat you will have to pay for "all-risk" protection. The cost will be a small fraction of the average yield of your own farm.

No wind is hot enough or hard enough to take away the protection that "all-risk" crop insurance offers. Information on how to get it is yours for the asking.

Sincerely,

_____, Chairman
 County AAA Committee

NOTE: Stencils with the above illustration - not the letter - impressed on them are available for use by county committeemen in mailing circular letters to local wheatgrowers. They may be obtained upon request through the State AAA offices.